

**MINUTES OF THE
TRANSPORTATION, ENVIRONMENTAL QUALITY, NATIONAL GUARD, &
VETERANS' AFFAIRS
APPROPRIATIONS SUBCOMMITTEE
Room 25, House Office Building, State Capitol Complex**

Tuesday, January 12, 2010

MEMBERS PRESENT: Sen. Kevin T. Van Tassell, Co-Chair
Rep. Wayne Harper, Co-Chair
Sen. Scott K. Jenkins
Sen. Peter C. Knudson
Sen. Mark B. Madsen
Sen. Luz Robles
Rep. Rebecca P. Edwards
Rep. Neil Hansen
Rep. Neal B. Hendrickson
Rep. Don L. Ipson
Rep. F. Jay Seegmiller
Rep. Kenneth Sumsion
Rep. Carl Wimmer

MEMBERS ABSENT: Rep. Patrick Painter

STAFF PRESENT: Mark C. Bleazard, Fiscal Analyst
Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Rep. Harper called the meeting to order at 9:21 a.m. and explained that today's meeting will deal with a review of the recommendations from Executive Appropriations on the 4% cuts to FY 2010 budgets and the 5% reductions to FY 2011 budgets and responses from the agencies as to how they are implementing the 3% governor's requested budget cuts.

Mark Bleazard, Fiscal Analyst, presented an update of the state budgets by power point. The challenge this year is to deal with continued revenue adjustments. For example the current year had backfill of \$445,000,000 which will be gone as of July 1, 2010. Fortunately this committee had no backfill money in operating budgets. Current projections show a \$194,000,000 shortfall for FY 2010 and \$88,000,000 for FY 2011 in the state budgets. The Executive Appropriations Committee has agreed to set aside a projected \$100,000,000 surplus for the time being. They have requested that the subcommittees make their list with the lowest spending priorities, not the highest. The target for this committee is \$918,000 in ongoing reductions for FY 2011 and \$734,400 in one-time offsets for FY 2010. The state has already used any federal stimulus money that came into the state.

Department of Environmental Quality

Amanda Smith, new Executive Director, was welcomed to the committee. She introduced the members of her staff who were present and reviewed the department mission statement. She explained the importance of **primacy** in which the state adopts regulations no less stringent than federal standards and oversees compliance and enforcement. The DEQ focuses on working with industry for compliance and only lastly resorts to enforcement. The Director explained the impact of the FY 2010 budget cuts of 22% resulting in the loss of 19 FTEs with the ripple effect of reduction in inspections and delay in customer service, getting permits, etc. Budget adjustments have been met by reduced electronic document management, delay in IT purchases, reduced out of state travel, conference attendance, and in-state travel. With a handout it was shown that the work load has not decreased but must be done by fewer personnel. Some one-time federal funds were available to backfill about \$60,000 in the FY 2010 budget. The Environmental Quality Restricted Account revenues and disbursements were discussed, noting that waste streams funds are down, and the fund is \$2,300,000 in the hole.

The Division of Air Quality has recently been found in non-attainment, and federal regulations have been upped. Director Cheryl Heying explained how they are working with Idaho to achieve attainment and the process of working with the EPA to achieve attainment.. There was discussion of permit fees and the fact that they do not totally cover the costs of the programs. Fines go to the General Fund not to the department. Maintaining primacy uses the majority of DEQ's budget. The committee was informed that one of the costs of non-attainment is withholding of federal highway funds which has occurred in the past.

Dennis Downs, Director of the Division of Solid and Hazardous Waste, discussed how the division handles and monitors closed waste management facilities and how necessary funds are held.

National Guard

General Brian Tarbet introduced his personnel and reminded the committee that 97% of their budget comes from federal funds. The 3% of state responsibility is primarily for armories and tuition assistance which continues to be his first priority. The effect of the FY 2010 cuts was explained as follows: loss of 3 FTEs, turning away about 200 soldiers for tuition assistance, reduction in IT support, reduction in utility funding and maintenance for National Guard facilities. Gen. Tarbet emphasized again the importance of tuition assistance in recruiting and informed the committee that the Utah National Guard is currently #1 in the nation in recruiting with a very desirable force structure or mix of units. As a result of the reputation of the units in Utah, one of the major intelligence agencies in the nation will be spending \$2 billion dollars on a facility at Camp Williams. A result of reduced maintenance of armories is the degradation of

buildings to the point where they could be lost. The Guard has an ongoing need for \$1,250,000 for tuition assistance. Todd Valline, budget manager for the national guard, reported that money that had been taken from two FTEs in DEQ that had been appropriated by the committee in 2009 had been put in maintenance rather than tuition assistance.

Department of Transportation

John Njord, Executive Director, and Carlos Braceras, Deputy Director, introduced their personnel present at the meeting. Director Njord reported that the department is currently working on about 200 projects all over the state and that the department has completed or has under contract 97% of the projects using ARRA money amounting to about \$200,000,000. The Department has just entered into the largest contract ever in its history, a \$1.1 billion contract for the reconstruction of I-15 in Utah County to begin in March. The overall budget is \$1.725 billion and the project should be completed by December 2012. A contract has been entered into to begin a phase of Mountain View Corridor in Utah and Salt Lake Counties in March. The budget is \$22 million for snow removal and should come in under budget this year. Through a handout the Governor's proposed 3% budget adjustments were reviewed. The total was \$3,186,000 in cuts even though less than 1% of the DOT budget comes from the General Fund. The majority of this reduction results from holding positions vacant throughout the department, many in Maintenance Management. The department is hiring people temporarily at need. Another handout showed the potential for bonding and the actual bonding undertaken. Currently the interest rate for bonding is very low. The bonding limit is constitutional and is 1.5% of the estimated value of private property in the State of Utah. Snow plowing in a recent storm was discussed. There are over 500 plows, and the goal is to push every lane once an hour during a storm. The estimated life of a plow is 14 years which may have to be pushed to 16 years. Tow plows are new technology which allows one truck and driver to plow two lanes.

The Fiscal Analyst reviewed the Governor's recommended 3% cost-of-living adjustment compared to the 4% adjustment requested by Executive Appropriations. This committee needs to identify reductions in the amount of \$734,400. The reductions were discussed by department and responded to by department personnel except for Veterans' Affairs which was not represented.

MOTION: Sen. Van Tassell moved to accept the budget adjustment of (\$436,800) from the General Fund for the Department of Environmental Quality for FY 2010 with the breakdown by division as follows:

Directors Office	(56,300)
Air Quality	(147,800)
Response and Remediation	(34,400)

Radiation	(36,300)
Water Quality	(121,400)
Drinking Water	(40,600)

The motion passed unanimously with Sen. Knudson, Sen. Madsen, Rep. Hansen, and Rep. Hendrickson absent for the vote.

MOTION: Rep. Sumsion moved to accept the budget adjustment of (\$229,800) from the General Fund for the National Guard for FY 2010. The motion passed unanimously with Sen. Madsen, Rep. Hansen, and Rep. Hendrickson absent for the vote.

MOTION: Sen. Van Tassell moved to accept the budget adjustment of (\$43,000) from the General Fund for the Department of Veterans' Affairs for FY 2010. The motion passed unanimously with Sen. Madsen, Rep. Hansen, and Rep. Hendrickson absent for the vote.

It was pointed out that some veterans' cemeteries maintenance has been performed by members of the community.

MOTION: Sen. Knudson moved to accept the budget adjustment of (\$68,800) from the General Fund for the Department of Transportation for FY 2010. The motion passed unanimously with Sen. Madsen, Rep. Hansen, and Rep. Hendrickson absent for the vote.

MOTION: Rep. Wimmer moved to adjourn. The motion passed unanimously with Sen. Madsen, Rep. Hansen, and Rep. Handrickson absent for the vote.

Rep. Harper adjourned the meeting at 11:18 a.m.

Rep. Wayne Harper, Co-Chair

Sen. Kevin T. Van Tassell, Co-Chair